VOUCHERS.

SENATE COMMITTEE OF REFERENCE REPORT

<u>April 26, 2024</u>
Chair of Committee Date
Committee on <u>Transportation & Energy</u> .
After consideration on the merits, the Committee recommends the following:
be amended as follows, and as so amended, be referred to the Committee on <u>Finance</u> with favorable recommendation:
Amend printed bill, page 3, strike lines 2 through 23.
Strike pages 4 through 8.
Page 9, strike lines 1 through 20 and substitute:
"SECTION 1. In Colorado Revised Statutes, 42-4-310, add (1)(d)(XIII) as follows: 42-4-310. Periodic emissions control inspection required (1) (d) (XIII) NOTWITHSTANDING SUBSECTIONS (1)(d)(I) TO (1)(d)(IX OF THIS SECTION, AN AUTHORIZED STATE REPRESENTATIVE SHALL NOT ISSUE A CERTIFICATE OF EMISSIONS WAIVER TO A MOTOR VEHICLE THAT HAS BEEN ISSUED A VOUCHER IN ACCORDANCE WITH SECTION 42-4-31 UNTIL THE MOTOR VEHICLE HAS RECEIVED THE ADDITIONAL REPAIR COVERED BY THE VOUCHER IN ACCORDANCE WITH THE RULES ADOPTED UNDER SECTION 42-4-317 OR THE MOTOR VEHICLE REPAIRS HAVE EXHAUSTED THE VOUCHER. SECTION 2. In Colorado Revised Statutes, add 42-4-317 and the section of t
follows:
42-4-317. Voucher program - rules. (1) THE EXECUTIVE
DIRECTOR OF THE DEPARTMENT SHALL COORDINATE WITH TH
NONATTAINMENT AREA AIR POLLUTION MITIGATION ENTERPRISE CREATEI
IN SECTION 43-4-1303 TO CREATE A VOUCHER PROGRAM FOR MOTOR
VEHICLES THAT HAVE RECEIVED THE REPAIRS REQUIRED IN SECTION 42-4-306 BUT HAVE FAILED TO BE ISSUED A CERTIFICATE OF EMISSION
COMPLIANCE. THE VOUCHER PROGRAM MUST IDENTIFY QUALIFIED

VEHICLES AND THE PROCEDURE FOR ISSUING AND REDEEMING THE

- (2) THE VOUCHER PROGRAM MUST PROVIDE A VOUCHER WORTH EIGHT HUNDRED FIFTY DOLLARS THAT THE OWNER OF A MOTOR VEHICLE MAY REDEEM WITH A REGISTERED REPAIR FACILITY OR TECHNICIAN TO PERFORM REPAIRS TO MAKE THE MOTOR VEHICLE ELIGIBLE FOR A CERTIFICATE OF EMISSIONS COMPLIANCE.
- (3) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT MAY PROMULGATE RULES TO IMPLEMENT THIS SECTION.
- (4) TO IMPLEMENT THIS SECTION, THE GENERAL ASSEMBLY SHALL APPROPRIATE FUNDS FROM THE NONATTAINMENT AREA AIR POLLUTION MITIGATION ENTERPRISE FUND, CREATED IN SECTION 43-4-1303 (5).
- SECTION 3. In Colorado Revised Statutes, add 25-7-146 as follows:
- 13 **25-7-146.** Appropriation to implement electric lawn 14 equipment program - repeal. (1) The General assembly shall 15 Appropriate one hundred thousand dollars from the
- 16 NONATTAINMENT AREA AIR POLLUTION MITIGATION ENTERPRISE FUND,
- 17 CREATED IN SECTION 43-4-1303 (5), TO THE DEPARTMENT OF PUBLIC
- 18 HEALTH AND ENVIRONMENT FOR USE BY THE LEAD AIR QUALITY PLANNING
- 19 AGENCY FOR THE DENVER METROPOLITAN AREA AND THE DENVER
- 20 METRO/NORTH FRONT RANGE OZONE NONATTAINMENT AREA IN ORDER
- 21 TO FUND A REBATE PROGRAM FOR THE REPLACEMENT OF GAS-POWERED
- 22 LAWN EQUIPMENT WITH ELECTRIC LAWN EQUIPMENT.
- 23 (2) This section is repealed, effective December 31, 2033.".
- 24 Renumber succeeding sections accordingly.
- 25 Page 9, line 25, strike "TRUCK" MEANS A TRUCK" and substitute
- 26 "VEHICLE" MEANS A MOTOR VEHICLE".
- Page 10, line 8, strike "TRUCKS," and substitute "VEHICLES,".
- Page 11, lines 7 and 8, strike "MOTOR VEHICLES THAT EMIT LOW LEVELS
- 29 OF NITROGEN OXIDES" and substitute "ELECTRIC LIGHT-DUTY VEHICLES".
- Page 11, after line 14 insert:

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- 31 "SECTION 6. In Colorado Revised Statutes, 25-7.5-103, amend 32 (9)(b)(I) as follows:
- 33 **25-7.5-103.** Clean fleet enterprise creation board powers 34 and duties - fees - fund. (9) (b) The enterprise may provide funding or 35 financing through grant programs, rebate programs, revolving loan funds,
- or such other strategies as the board finds effective:
- 37 (I) To help public and private owners and operators of motor

- 1 vehicle fleets finance electric motor vehicle acquisitions to reduce the
- 2 up-front costs of acquiring electric motor vehicles, through December 31,
- 3 2026, to help public and private owners and operators of motor vehicle
- 4 fleets finance acquisitions of compressed natural gas motor vehicles that
- 5 are trucks if at least ninety percent of the fuel for the trucks will be EMIT
- 6 LOW LEVELS OF NITROGEN OXIDES WHEN USED TO POWER THE TRUCK,
- 7 INCLUDING recovered methane, and, on and after January 1, 2027, for so
- 8 long as the enterprise determines that electric motor vehicles are not yet
- 9 practically available or do not meet the operational requirements such as
- 10 cargo carrying capacity and driving range for specific categories of
- trucks, to help public and private owners and operators of motor vehicle
- 12 fleets finance acquisitions of compressed natural gas motor vehicles that
- are trucks if at least ninety percent of the fuel for the trucks will be EMIT
- 14 LOW LEVELS OF NITROGEN OXIDES WHEN USED TO POWER THE TRUCK,
- 15 INCLUDING recovered methane;".
- 16 Renumber succeeding sections accordingly.
- 17 Page 11, line 19, strike "(2)" and substitute "(2)(a)".
- 18 Page 11, line 20, after "(2)" insert "(a)".
- 19 Page 11, line 23, strike "(a)" and substitute "(I)".
- 20 Page 11, line 24, strike "(b)" and substitute "(II)".
- 21 Page 11, after line 25, insert:
- 22 "(b) THE DIVISION MAY IMPLEMENT SUBSECTION (2)(a) OF THIS
- 23 SECTION BY CONTRACTING WITH A RESEARCH INSTITUTION TO CONDUCT
- 24 THE STUDY.".
- 25 Page 12, after line 22 insert:
- "SECTION 8. In Colorado Revised Statutes, 42-4-306, amend
- 27 (3)(b)(V)(A); and **add** (3)(b)(V)(C) as follows:
- 28 42-4-306. Powers and duties of commission automobile
- 29 inspection and readjustment program basic emissions program -
- 30 enhanced emissions program clean screen program.
- 31 (3) (b) (V) (A) Notwithstanding any contrary provision in the
- 32 "Procurement Code", articles 101 to 112 of title 24, C.R.S., or this article
- 33 ARTICLE 4, any contract for inspection services may be renewed for a term
- not to exceed two years, after which the contract may be renewed for a

single term of up to four years or rebid; except that inspection fees during any such four-year renewal contract shall be as determined under ARE SUBJECT TO section 42-4-311 (6).

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(C) Notwithstanding any contrary provision in the "Procurement Code", articles 101 to 112 of title 24, or this article 4, the division shall renegotiate or renew a contract for inspection services in existence on July 1, 2024, no later than October 1, 2024, to account for the fee established in section 42-4-311 (6) as it will become effective on the effective date of this subsection (3)(b)(I)(C) and for a term not to exceed four years, after which the contract may be renewed for a single term of up to four years or rebid. The new contract must provide for adding additional testing stations and expanding the clean screen inspection units.

SECTION 9. In Colorado Revised Statutes, 42-4-311, **amend** (4)(a)(I) and (6)(a); **repeal** (6)(b); and **add** (4)(a)(III) as follows:

42-4-311. Operation of inspection and readjustment stations - inspection-only facilities - fleet inspection stations - motor vehicle dealer test facilities - enhanced inspection centers. (4) (a) (I) SUBJECT TO SUBSECTION (4)(a)(III) OF THIS SECTION, a licensed inspection and readjustment station, inspection-only facility, or motor vehicle dealer test facility shall charge a fee not to exceed fifteen dollars for the inspection of vehicles, model year 1981 and older, at facilities licensed or authorized within either the basic or enhanced emissions program; except that for 1982 model and newer vehicles a test facility may charge a fee not to exceed twenty-five THIRTY-FIVE dollars.

- (III) THE DIVISION SHALL ANNUALLY ADJUST FOR INFLATION OR DEFLATION THE FEES DESCRIBED IN SUBSECTION (4)(a)(I) OF THIS SECTION. THE DIVISION MAY ROUND THE ADJUSTED AMOUNT UPWARD OR DOWNWARD AS APPROPRIATE. INFLATION OR DEFLATION IS MEASURED BY THE ANNUAL PERCENTAGE CHANGE IN THE UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX, OR A SUCCESSOR INDEX, FOR DENVER-AURORA-LAKEWOOD FOR ALL ITEMS PAID BY URBAN CONSUMERS.
- (6) (a) The fee charged for enhanced emissions inspections performed within the enhanced emissions program area on 1982 and later motor vehicles shall MUST not be any greater than that determined by the contract and in no case greater than twenty-five THIRTY-FIVE dollars. The fee charged for clean screen inspections performed on vehicles registered in the basic area shall MUST not be any greater than that determined by the contract and in no case greater than fifteen dollars. Such THE fee shall MUST not exceed the maximum fee required to be posted by the enhanced inspection center pursuant to section 42-4-305 for the inspection of any

1 motor vehicle required to be inspected under section 42-4-310.

- (b) During the two-year renewal of the contract entered into pursuant to section 42-4-307 (10), the commission shall hold a hearing to determine the maximum fee that may be charged pursuant to the contract for inspections during any subsequent renewal term. The maximum fee must be based on estimated actual operating costs during the life of the contract, determined pursuant to the proceeding, plus a percentage to be determined by the commission, not to exceed ten percent and not to exceed twenty-five dollars."
- 10 Renumber succeeding section accordingly.
- Page 1, strike line 103 and substitute "STANDARDS, AND, IN CONNECTION
- 12 THEREWITH, ENACTING INCENTIVE-BASED OZONE PRECURSOR
- 13 EMISSIONS REDUCTION MEASURES FOR ON-ROAD MOBILE SOURCES AND
- 14 FOR LAWN EQUIPMENT AND CONDUCTING ANNUAL PHOTOCHEMICAL
- 15 MODELING STUDIES AND DATA ANALYSIS.".

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